

News from Ed Markey

United States Congress

Massachusetts Seventh District

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MARKEY INVESTIGATES CORPORATE OFF-SHORING OF PERSONAL PRIVACY RIGHTS

AMERICANS LOSING JOBS AND PRIVACY IN ONE FELL SWOOP

WASHINGTON, D.C. – Representative Edward J. Markey (D-MA), a senior Democratic Member of the House Energy and Commerce and Homeland Security Committees, today released letters to 16 federal, state, or quasi-governmental regulatory agencies raising concerns over the growing practice by U.S. companies of outsourcing personal data processing and analysis to offshore companies.

“I am concerned that the privacy of American citizens is being exported in the service of global trade,” said Rep. Markey, who serves as the Ranking Democrat on the Telecommunications and Internet Subcommittee and is Co-Chair of the Congressional Privacy Caucus. “America needs to wake up and resist the wholesale abandonment of enforceable privacy rights associated with exporting sensitive service activities overseas to the lowest bidder. The implications for identity theft by gangs, breaches of homeland security by Al Qaeda, and criminal misuse and abuse by multinational corporations are frightening.”

Rep. Markey added, “The off-shoring of high-tech, call center, data processing and analysis, and other technology-dependent service jobs poses a very real danger to the security, confidentiality and integrity of personal financial, medical, and other sensitive information. There is no assurance that privacy will be protected when personal data is transferred to offshore companies that are beyond the reach of U.S. law enforcement, and the federal government needs to wake up to the risks that this presents.”

Rep. Markey today released copies of letters sent to the Federal Reserve, the Securities and Exchange Commission, the federal banking regulators, the Federal Trade Commission, the Federal Communications Commission, the Internal Revenue Service, the Defense Department, Homeland Security Department and the Central Intelligence Agency asking a series of pointed questions about the nature and extent of outsourcing of personal or company information to offshore firms for data processing, data analysis, tax return preparation, and other purposes. The letters ask each regulator to report on which companies within their jurisdiction are engaging in this practice, what privacy and security precautions govern such transfers, and what recourse regulators and consumers have if an offshore company violates their privacy.

The threat to personal privacy represented by off-shoring is not merely theoretical. According to press reports, last year a Pakistani woman who had been hired as a subcontractor to perform medical transcription work for a Texas company engaged as an outsourcing firm for a California hospital threatened to post sensitive patient medical records on the Internet unless she received certain payments she claimed were due to her. Press reports indicated that the Pakistani woman

actually posted one confidential medical file onto the Internet, demonstrating her willingness to carry out her threat if her demands were not met.

“Americans are losing their jobs and their privacy in one fell swoop.” Rep. Markey concluded, “I am concerned that in their rush to cut costs and increase their bottom line, these companies may be sacrificing the privacy protections the law affords to American citizens. The off-shoring of jobs processing, analyzing, or accessing sensitive personal, financial, or health information could put American’s privacy beyond the reach of U.S. law and outside the jurisdiction of U.S. regulators.”

Copies of the Markey letters can be obtained at www.house.gov/markey.

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